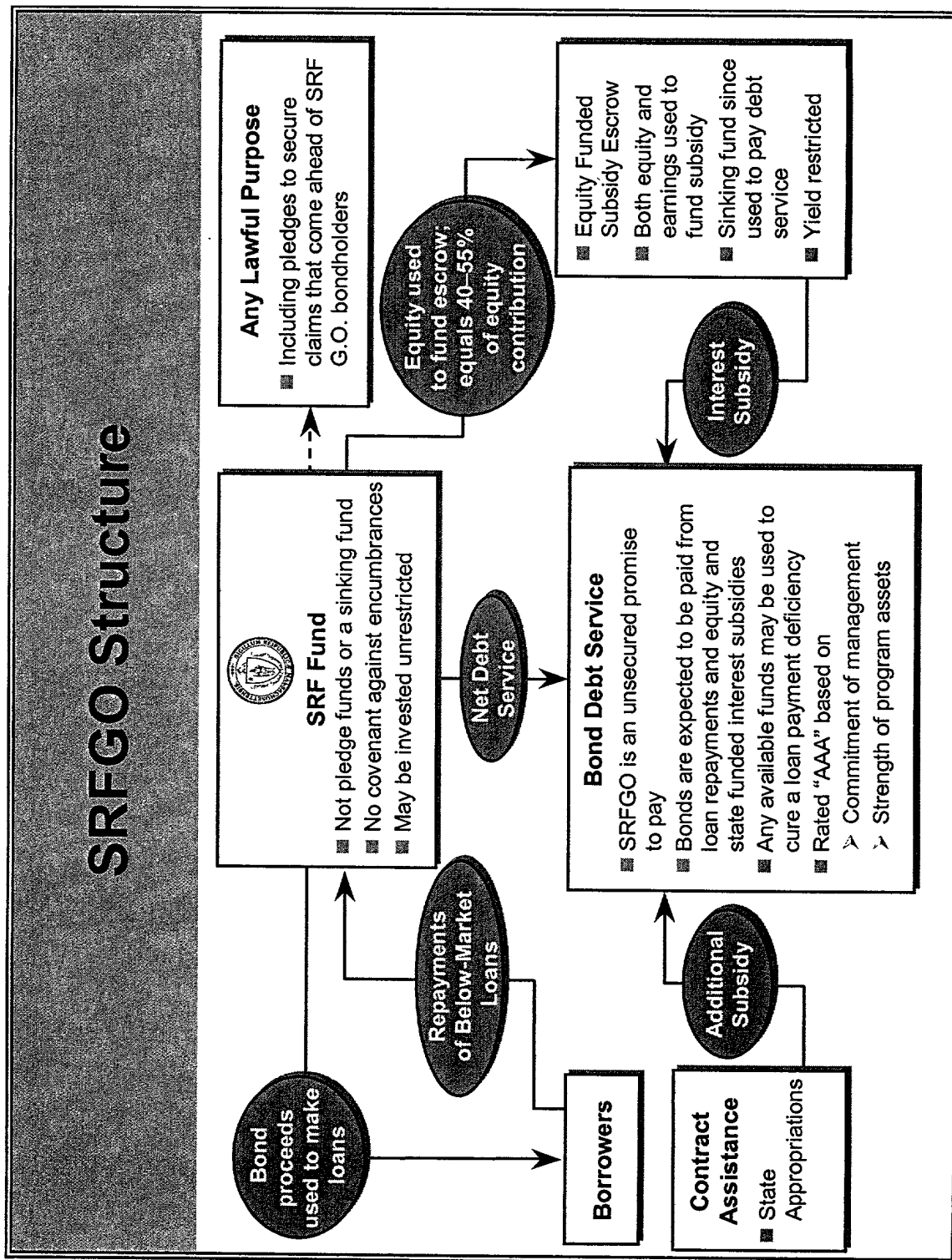


Fig. 2



[illegible]

Fig. 3

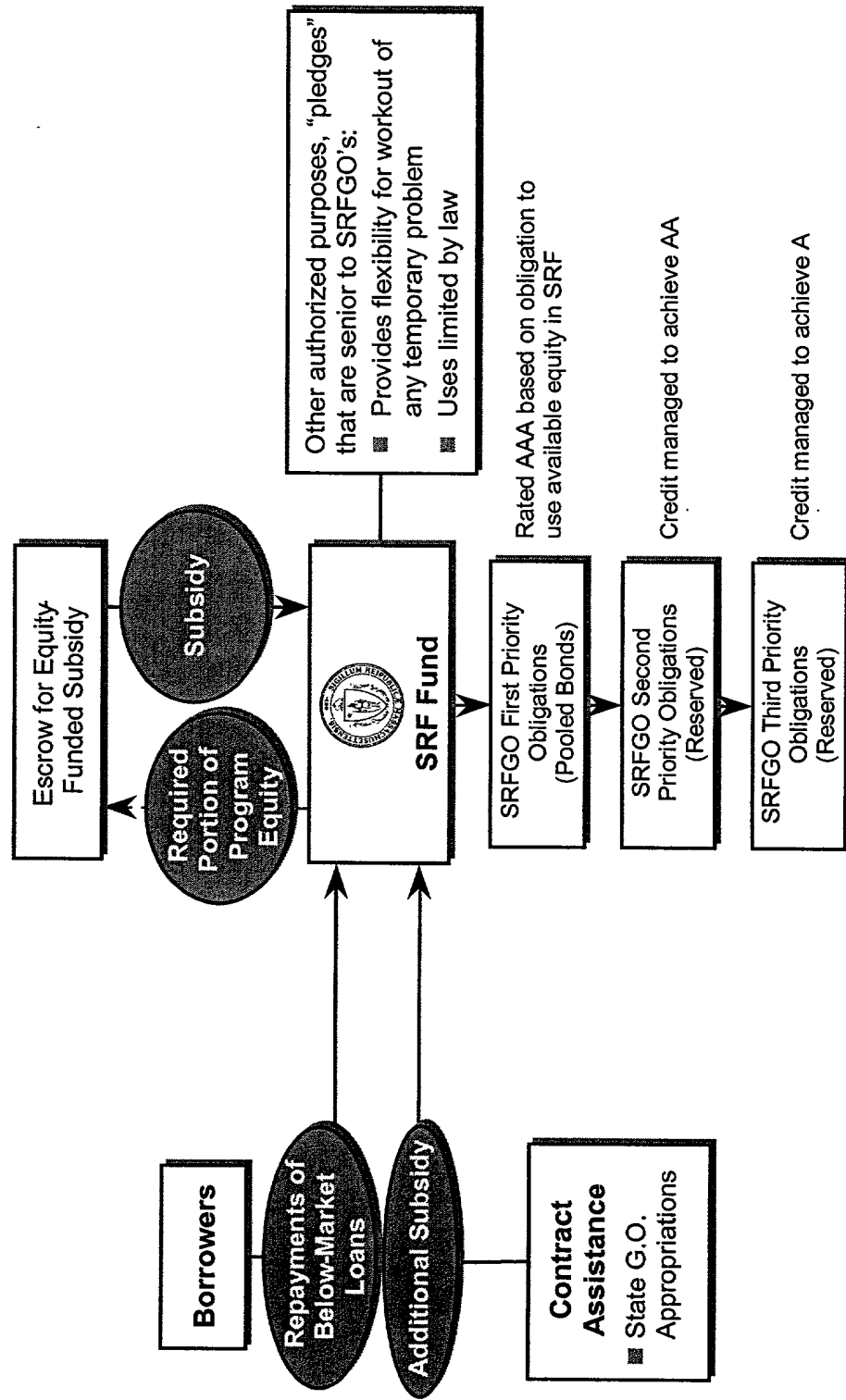


Fig 4

Sources and Uses of Funds Under Reserve Model for Equity and Earnings Thereon Related to a \$100 Million 20-Year Bond Issue

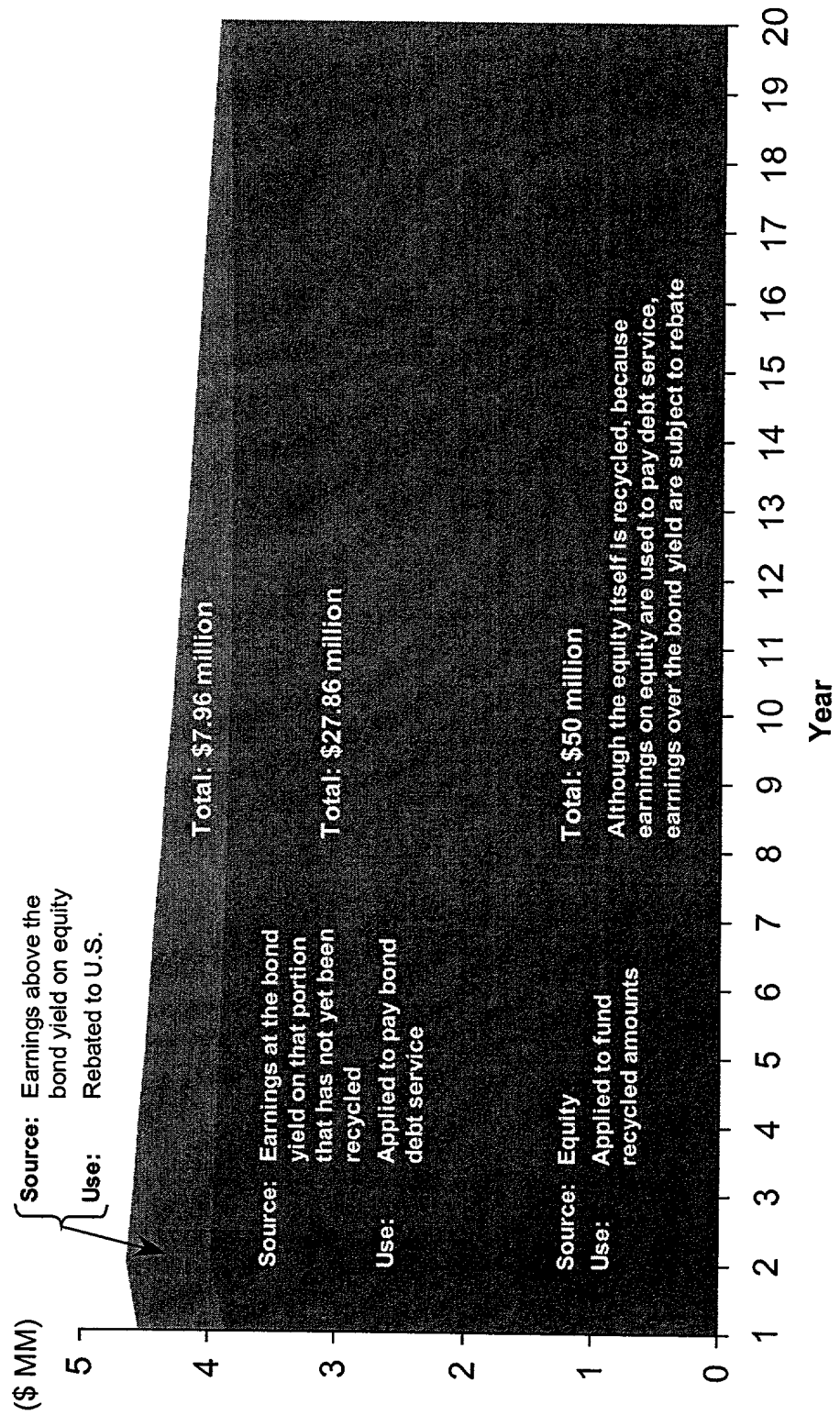


Fig 5

Sources and Uses of Funds Under SRFGO for Equity and Earnings Thereon Related to a \$100 Million 20 -Year Bond Issue

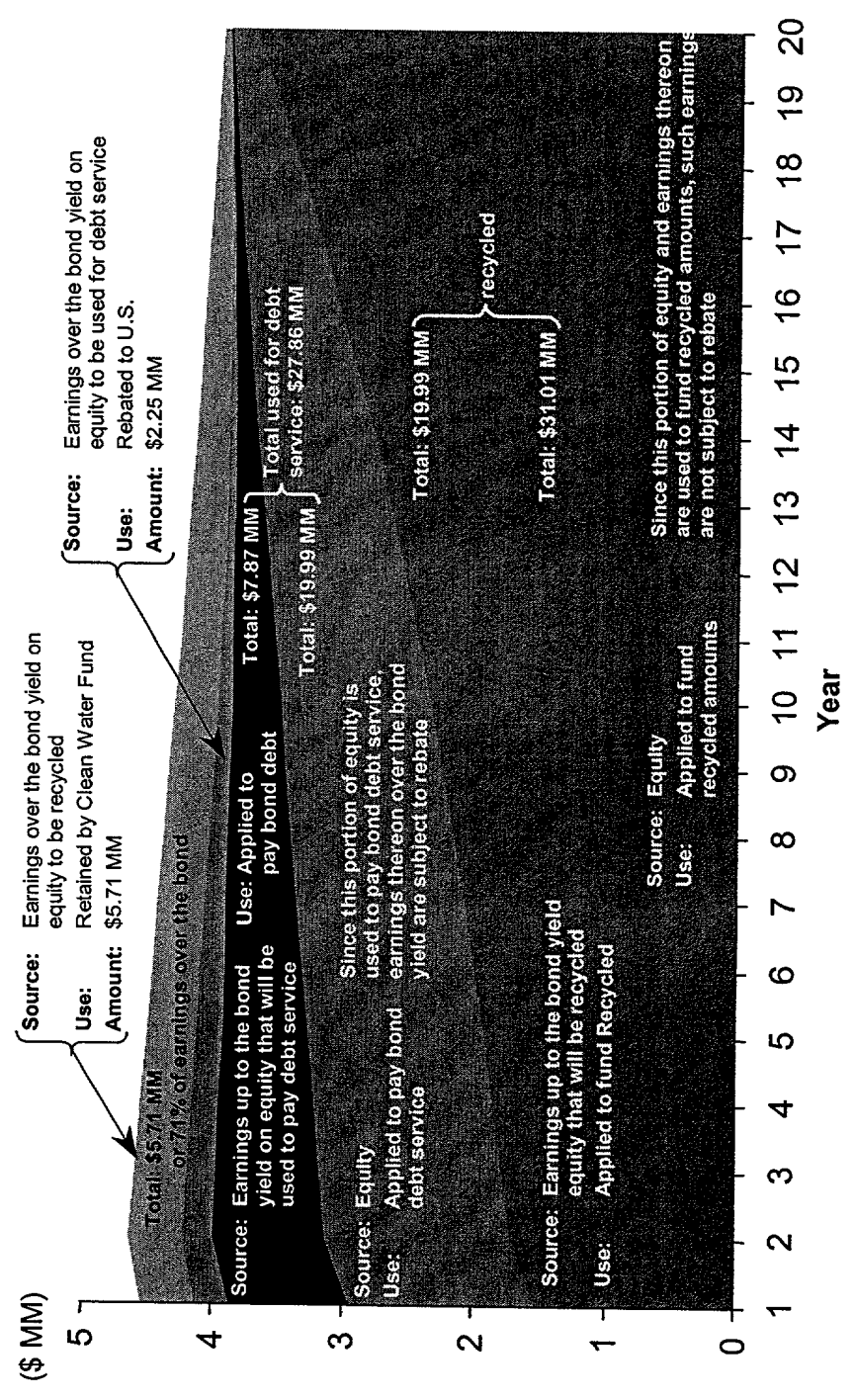
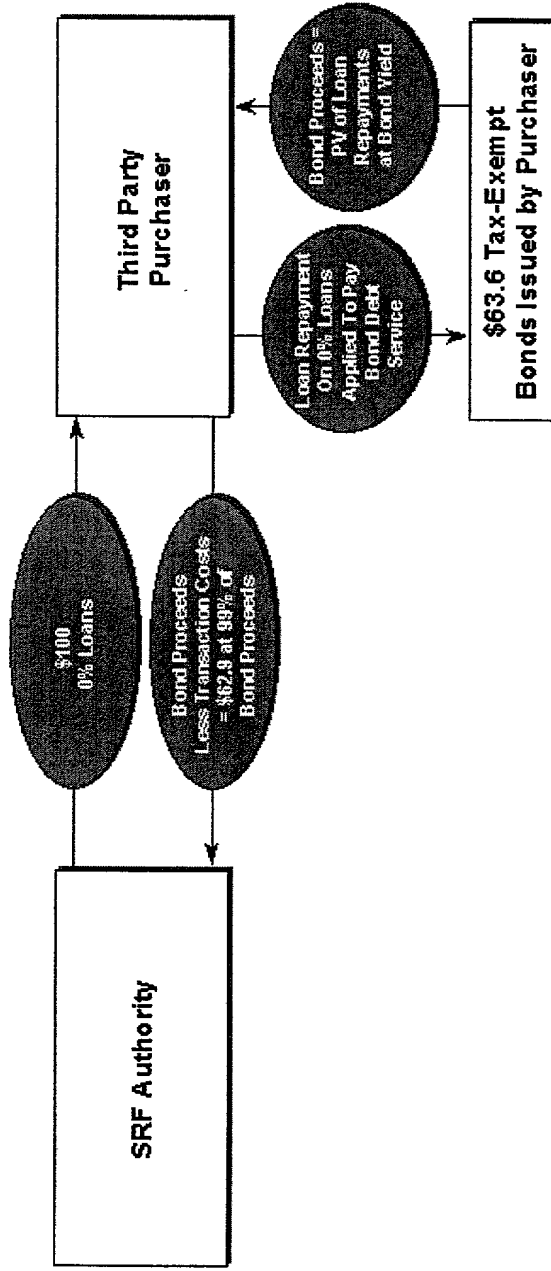


Fig 6

Year	Reserve Fund Cash Flows			Escrow Fund Cash Flows		
	Reserve Fund Balance	De-allocated Equity	Reserve Earnings Available to Interest Subsidy	Equity Applied to Fund Subsidy	Earnings Available to Fund Subsidy	Annual Interest Subsidy
1	33,000,000	1,039,851	1,521,300	916,492	604,808	1,521,300
2	31,960,149	1,087,788	1,473,363	910,806	562,557	1,473,363
3	30,872,361	1,137,935	1,423,216	902,647	520,569	1,423,216
4	29,734,425	1,190,394	1,370,757	891,800	478,957	1,370,757
5	28,544,031	1,245,271	1,315,880	878,035	437,845	1,315,880
6	27,298,760	1,302,678	1,258,473	861,105	397,368	1,258,473
7	25,996,082	1,362,732	1,198,419	840,749	357,671	1,198,419
8	24,633,350	1,425,554	1,135,597	816,685	318,912	1,135,597
9	23,207,796	1,491,272	1,069,879	788,616	281,263	1,069,879
10	21,716,525	1,560,019	1,001,132	756,224	244,908	1,001,132
11	20,156,505	1,631,936	929,215	719,169	210,046	929,215
12	18,524,569	1,707,168	853,983	677,090	176,892	853,983
13	16,817,400	1,785,869	775,282	629,604	145,678	775,282
14	15,031,532	1,868,198	692,954	576,300	116,654	692,954
15	13,163,334	1,954,321	606,830	516,743	90,086	606,830
16	11,209,013	2,044,416	516,735	450,471	66,264	516,735
17	9,164,597	2,138,663	422,488	376,990	45,498	422,488
18	7,025,934	2,237,256	323,896	295,777	28,118	323,896
19	4,788,678	2,340,393	220,758	206,275	14,483	220,758
20	2,448,285	2,448,285	112,866	107,892	4,974	112,866
Total		33,000,000	18,223,022	13,119,470	5,103,552	18,223,022

Fig 7



The proceeds of the sale of the equity-funded 0% loans will be less than the face amount of the SRF Authority's equity.

Fig 8

Year	Debt Service on 0% Loans	Bond Principal	Bond Coupon	Bond Interest	Bond Debt Service	Purchase Price Less Recycled Equity	Earnings	Original Equity Release	Additional Equity Release	Ending Balance
1	\$5,000,000	\$2,104,798	3.100%	\$2,885,202	\$5,000,000	\$62,932,077	\$3,838,857	\$5,000,000	\$531,330	\$61,239,604
2	5,000,000	2,170,047	3.750%	2,829,953	5,000,000	61,239,604	3,735,616	5,000,000	531,330	59,443,889
3	5,000,000	2,251,424	3.810%	2,748,576	5,000,000	59,443,889	3,626,077	5,000,000	531,330	57,538,636
4	5,000,000	2,337,203	3.900%	2,662,797	5,000,000	57,538,636	3,509,857	5,000,000	531,330	55,517,162
5	5,000,000	2,428,354	3.960%	2,571,646	5,000,000	55,517,162	3,386,547	5,000,000	531,330	53,372,379
6	5,000,000	2,524,517	4.020%	2,475,483	5,000,000	53,372,379	3,255,715	5,000,000	531,330	51,096,763
7	5,000,000	2,626,002	4.100%	2,373,998	5,000,000	51,096,763	3,116,903	5,000,000	531,330	48,682,336
8	5,000,000	2,733,688	4.190%	2,266,332	5,000,000	48,682,336	2,969,622	5,000,000	531,330	46,120,628
9	5,000,000	2,848,209	4.280%	2,151,791	5,000,000	46,120,628	2,813,358	5,000,000	531,330	43,402,656
10	5,000,000	2,970,112	4.380%	2,029,888	5,000,000	43,402,656	2,647,582	5,000,000	531,330	40,518,887
11	5,000,000	3,100,203	4.510%	1,899,797	5,000,000	40,518,887	2,471,652	5,000,000	531,330	37,459,209
12	5,000,000	3,240,022	4.610%	1,759,878	5,000,000	37,459,209	2,285,012	5,000,000	531,330	34,212,890
13	5,000,000	3,389,388	4.710%	1,610,612	5,000,000	34,212,890	2,086,986	5,000,000	531,330	30,768,546
14	5,000,000	3,549,028	4.810%	1,450,972	5,000,000	30,768,546	1,876,881	5,000,000	531,330	27,114,097
15	5,000,000	3,719,736	4.890%	1,280,264	5,000,000	27,114,097	1,653,960	5,000,000	531,330	23,236,727
16	5,000,000	3,901,631	4.980%	1,098,369	5,000,000	23,236,727	1,417,440	5,000,000	531,330	19,122,837
17	5,000,000	4,095,932	5.040%	904,068	5,000,000	19,122,837	1,166,493	5,000,000	531,330	14,757,999
18	5,000,000	4,302,367	5.090%	697,633	5,000,000	14,757,999	900,238	5,000,000	531,330	10,126,907
19	5,000,000	4,521,358	5.140%	478,642	5,000,000	10,126,907	617,741	5,000,000	531,330	5,213,318
20	5,000,000	4,753,755	5.180%	246,245	5,000,000	5,213,318	318,012	5,000,000	531,330	0
\$100,000,000						\$47,694,530	\$100,000,000	\$10,626,608		
						PV of Additional Equity Released				
						\$6,695,151				
						Gross Increase In Equity				
						\$10,626,608				

Assumptions

- \$100 million of equity invested in 0% loans
- Bonds to finance loan purchase issued at 4.77%
- Transaction cost equal to 1%

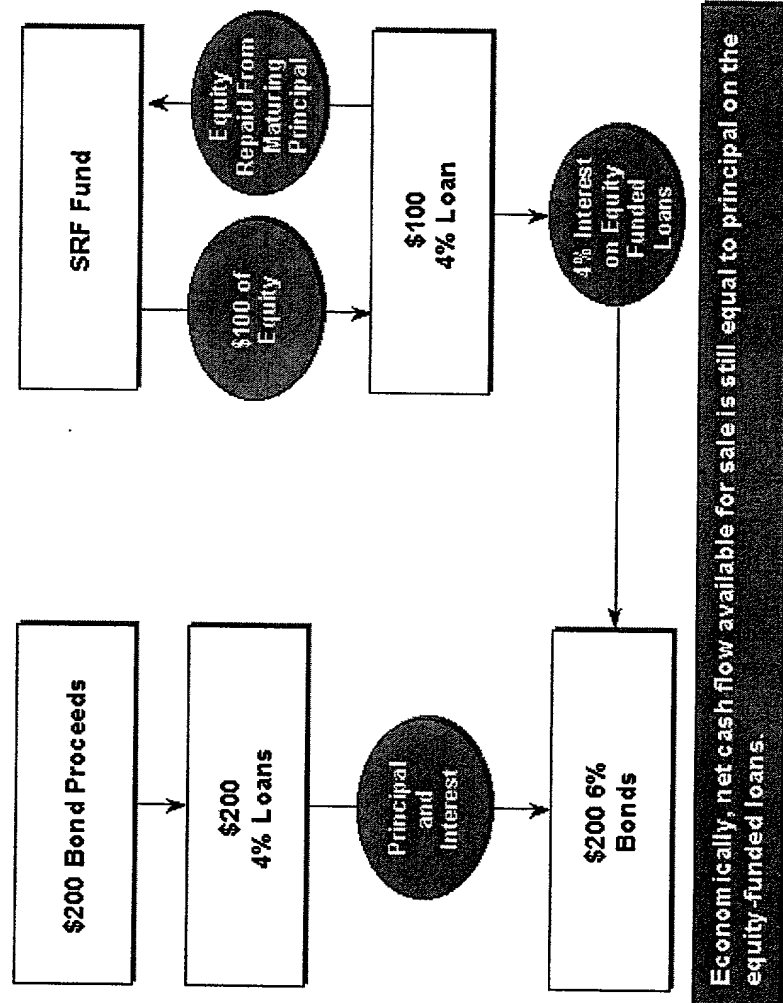


Fig 10

	Loan Sale	Bond Refunding	Total
Bond Par	\$456.9 MM	\$1,657.2 MM	\$2,114.0 MM
Loan Par	\$630.4 MM	—	\$630.4 MM
Gross Savings	\$46.3 MM	\$129.3 MM	\$175.6 MM
% Gross Savings of Refunding Par	10.1%	7.8%	8.3%
PV Savings	\$36.4 MM	\$29.7 MM	\$66.1 MM
% Savings of Refunding Par	8.0%	1.8%	3.1%
Interest Rate Sensitivity of Savings	<p>Additional earnings determined by the difference between the taxable investment rate and the arbitrage yield on bonds issued to finance loan purchase.</p> <p>The two rates tend to move together.</p> <p>↑</p> <p>NOT SENSITIVE TO INTEREST RATE LEVELS</p>		
	<p>Savings determined by refunding bond yield.</p> <p>↑</p> <p>SENSITIVE TO INTEREST RATE LEVELS</p>		

Fig 11

